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Arizona Corporation Commission  
BEFORE THE ARIZONA CORPORATION C  
**DOCKETED**

DEC 04 2001

WILLIAM A. MUNDELL  
CHAIRMAN  
JIM IRVIN  
COMMISSIONER  
MARC SPITZER  
COMMISSIONER

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF  
WICK WATER, L.L.C. FOR APPROVAL OF THE  
SALE OF ASSETS AND TRANSFER OF ITS  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO CDC WICKENBURG WATER,  
L.L.C.

DOCKET NO. W-03994A-01-0134

DOCKET NO. W-03122A-01-0134

DECISION NO. 64252**OPINION AND ORDER**

DATE OF HEARING: September 10, 2001  
PLACE OF HEARING: Phoenix, Arizona  
ADMINISTRATIVE LAW JUDGE: Philip J. Dion III  
APPEARANCES: Mr. Steve Wene, MOYES STOREY, on behalf of CDC  
Wickenburg Water, L.L.C. and;  
Ms. Janice Alward, Assistant Chief Counsel, Legal  
Division, on behalf of the Utilities Division of the  
Arizona Corporation Commission.

**BY THE COMMISSION:**

Having considered the entire record herein and being fully advised in the premises, the  
Commission finds, concludes and orders that:

**FINDINGS OF FACT**

1. On February 15, 2001, Wick Water, L.L.C. ("Wick Water") and CDC Wickenburg  
Water, L.L.C. ("CDC Wickenburg") filed a joint application with the Arizona Corporation  
Commission ("Commission") seeking authority for Wick Water to sell and transfer its assets and  
Certificate of Convenience and Necessity ("Certificate") to CDC Wickenburg.

2. Pursuant to a Procedural Order issued July 20, 2001, notice of the hearing was sent by  
certified mail to Wick Water's only water user, Childhelp U.S.A.

3. Wick Water filed proof of notice on August 10, 2001. No requests for intervention,  
nor letters opposing the application were received.

4. Wick Water provides public water service to one water user in Arizona.

1 5. Wick Water is a subsidiary of Petroleum, Inc. and CDC Wickenburg is a subsidiary of  
2 HMB Partners, Inc., which is a real estate investment and development company headquartered in  
3 Denver, Colorado.

4 6. HMB also owns the Wickenburg Ranch property, which is located within Wick  
5 Water's service territory.

6 7. Wickenburg Ranch, L.L.C., also owned by HMB, is the project development and  
7 ownership entity that will manage the Wickenburg Ranch property. The Wickenburg Ranch  
8 development is a planned, mixed-use community being developed in Yavapai County.

9 8. Since HMB intends to develop the Wickenburg Ranch property, it has drilled  
10 additional test and production wells to demonstrate the physical availability of sufficient water  
11 sources. On March 14, 2001, Wick Water submitted a letter from the Arizona Department of Water  
12 Resources ("ADWR") that indicated Wick Water had demonstrated an adequate water supply.

13 9. According to Wick Water's 2000 annual report, its listed plant facilities consist of five  
14 wells, two currently equipped with well pumps. No gallons of water were reported sold. Wick Water  
15 also listed the plant-in-service at an original cost of \$23,780.

16 10. Wick Water states its assets include one 500,000-gallon storage tank, two 70,000-  
17 gallon pressure tanks, five wells and 16,000 feet of four-inch distribution mains.

18 11. In Decision No. 59646 (May 15, 1996), the Commission approved the transfer of  
19 Yavapai Hills Water Company's ("Yavapai") Certificate to Wick Water. Yavapai was issued a  
20 Certificate in Decision No. 42961 (November 22, 1972) to provide water service to a planned  
21 development near Wickenburg, Yavapai County, Arizona.

22 12. Decision No. 59646 required Wick Water to file a proposed tariff 90 days prior to  
23 serving any customer.

24 13. Wick Water has granted its only water user, Childhelp, U.S.A, a license to use and  
25 operate the water equipment, free of charge.

26 14. Staff conducted a review and found that no tariff was filed as required by the prior  
27 Commission Decision. However, since Staff believes that since Childhelp, U.S.A. was never a  
28 customer, Wick Water did not need to file a tariff as ordered in Decision No. 59646.

15. Childhelp, U.S.A. works with abused children, and it anticipates it will eventually have 80 participants in its rehabilitation, educational, and recreational programs.

16. Once new customers request service from CDC Wickenburg, the license with Childhelp, U.S.A. will terminate and CDC Wickenburg will begin providing water service to Childhelp, U.S.A. and other customers desiring water service, either under the tariff ordered herein or under a Commission approved special contract.

17. The Commission in Decision No. 42961 (November 22, 1972) authorized Yavapai to charge a \$6 monthly minimum, with 2,000 gallons included in the minimum. It also authorized Yavapai to charge \$1 per 1,000 gallons for any amounts used over the monthly minimum of 2,000 gallons.

18. Staff has discussed the currently authorized rates and charges with Wick Water and CDC Wickenburg's representative and was assured that CDC Wickenburg would provide service under those rates and charges until such time as the Commission authorizes new rates and charges. Staff recommended that the Commission require CDC Wickenburg to provide service under the existing rates and charges until such a time as they obtain approval for new tariff rates and charges.

19. Staff recommends that the Commission approve the proposed transfer of the Certificate and sale of assets from Wick Water to CDC Wickenburg.

### CONCLUSIONS OF LAW

1. Wick Water is a public service corporation within the meaning of Article XV of the Arizona Constitution and pursuant to A.R.S. § 40-201.

2. The Commission has jurisdiction over Wick Water and over the subject matter of the application pursuant to A.R.S. §§ 40-252 and 40-285(A).

3. The transfer of Wick Water's Certificate of Convenience and Necessity and water assets in Arizona to CDC Wickenburg is in the public interest.

4. Staff's recommendations in Findings of Fact No. 18 and 19 are reasonable and shall be adopted.

### ORDER

IT IS THEREFORE ORDERED that the joint application of Wick Water, L.L.C. and CDC

1. Wickenburg, be and hereby is, granted.

2 IT IS FURTHER ORDERED that Wick Water, L.L.C. be, and hereby is, authorized to  
3 transfer all of its water assets and Certificate of Convenience and Necessity to CDC Wickenburg  
4 Water, L.L.C.

5 IT IS FURTHER ORDERED that Wick Water, L.L.C. shall file, within 30 days from the date  
6 of this Decision, an affidavit verifying that the sale has been consummated.

7 IT IS FURTHER ORDERED that once CDC Wickenburg Water L.L.C. begins to provide  
8 service, it shall do so under the rates approved in Commission Decision No. 42961.

9 IT IS FURTHER ORDERED that CDC Wickenburg shall file a tariff conforming with the  
10 previously approved rates set in Decision No. 42961 either 120 days from the effective date of this  
11 Decision or 30 days prior to serving any new customer, whichever occurs first.

12 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

13 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

14   
15 CHAIRMAN  
16   
17 COMMISSIONER  
18   
19 COMMISSIONER

20 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive  
21 Secretary of the Arizona Corporation Commission, have  
22 hereunto set my hand and caused the official seal of the  
23 Commission to be affixed at the Capitol, in the City of Phoenix,  
24 this 4TH day of December, 2001.

25   
26 BRIAN C. McNEIL  
27 EXECUTIVE SECRETARY

28 DISSENT \_\_\_\_\_  
PJD:mlj

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2  
3 SERVICE LIST FOR:

WICK WATER, L.L.C. and CDC WICKENBURG  
WATER, L.L.C.

4 DOCKET NOS.

W-03994A-01-0134 and W-03122A-01-0134

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